

GLOBAL ACCOUNTANCY EDUCATION 2012  
NASBA INTERNATIONAL FORUM  
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## GAE 2012 Research

The qualification, education, training and experience of professional accountants and auditors are of crucial importance for the functioning of the global financial infrastructure. A wide range of stakeholders, including regulators, standard setters, and professional accountancy organizations, rely on their competences and capabilities.

GAE 2012 will provide an updated analysis of the qualification, education and training of accountants and auditors in selected regions and countries around the world with different economic and legal backgrounds. The results of the study are intended to contribute to international cooperation and to support recognition of professional qualifications.

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## GAE 2012 Characteristics

- **Use** a competency framework that covers all key elements of “accountancy education” with IAESB International Education Standards as country benchmarks for adoption and implementation
- **Consider** specific demands on auditor qualifications and licensing
- **Promote** comparability and support recognition of professional qualifications as a means for international cooperation
- **Select** research questions that are relevant for different groups of stakeholders in the global financial infrastructure
- **Build** on previous research and work with international institutes and experts to achieve reliable and sustainable results

## GAE 2012 Relevance for NASBA

GAE 2012 can contribute to NASBA International Forum objectives:

- Understand** the global impact of international standards on the qualification, education and experience requirements for accountants and auditors
- Enhance** knowledge of global regulatory activities that influence accountancy education
- Understand** best practices and different approaches to accountancy education
- Learn** how other jurisdictions evaluate education and experience for professional licensing candidates

## Accountancy Education Model

Global Financial Infrastructure	Influence of the Accountancy Profession on Accountancy Education	Standard Setters, Regulators and Stakeholders
<p>Country Characteristics</p> <ul style="list-style-type: none"> <li>-Cultural Background</li> <li>-Legal System</li> <li>-Economic Position</li> </ul> <p>Country priorities depend on characteristics and stages of development</p>	<p>Accountancy Education</p> <ul style="list-style-type: none"> <li>-Professional Qualification</li> <li>-Qualification Standards</li> <li>-Final Examination of Professional Competence</li> <li>-Professional Education</li> <li>-Practical Experience</li> <li>-General Education</li> </ul>	<p>International Developments</p> <ul style="list-style-type: none"> <li>-Standards</li> <li>-Guidelines</li> <li>-Directives</li> </ul> <p>IFAC compliance program and IAESB International Education Standards and implementation guidance</p>

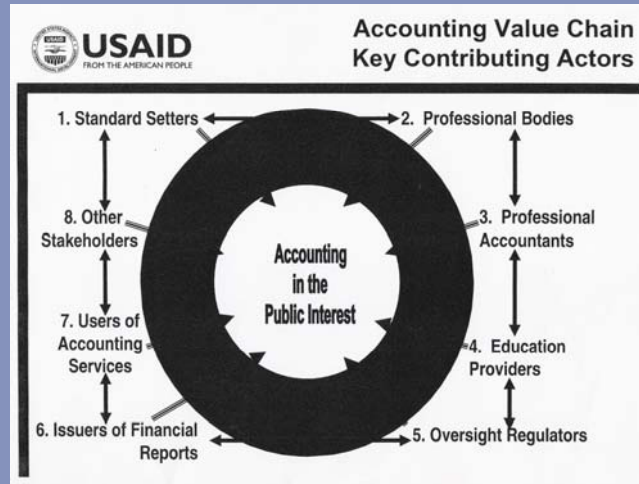
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## GAE 2012 Research Questions – Exhibit 1

- **Develop** a competency framework for accountants and auditors that can be used to promote comparability and recognition of qualifications
- **Prepare** an updated analysis of the characteristics of the qualification, education and training of accountants and auditors in selected countries and regions
- **Consider** the influence of country characteristics (legal, economic and cultural background) on qualification, education and training
- **Consider** how different characteristics of qualification, education and training influence international cooperation and recognition
- **Compare** the contribution of accountancy education with human capacity needed for the accounting value chain

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## Overview of Stakeholders



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## Stakeholder Benefits – Exhibit 2

Comparative information about accountancy education is of crucial importance for stakeholders in the financial infrastructure:

**Standard Setters:** understand the status of adoption and implementation

**Professional Accounting Organizations:** demonstrate compliance and identify areas for improvement

**Accountants and Auditors:** consider comparability as basis for international cooperation

**Education Providers:** program development in compliance with standards

**Regulators:** enforcement based on understanding of adoption and implementation

**Donors:** understand need and impact of development

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## GAE 2012 and Previous Studies

Studies about accountancy education:

- **GAE 2002**: Impact of Globalization on Accountancy Education; global classification of accountancy education
- **GAEB 2005**: Global Accounting Education Benchmarking; benchmarking of accountancy education in South East Europe
- **GAE 2007**: Trends in Global Accounting Education; overall developments and updated country information

Study about the accountancy environment that includes accountancy education:

- **ADI 2009**: Accountancy Development Index Research Initiative; quantitative approach to performance measurement

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## GAE 2002 Classification Study – Exhibit 3

Classification:

- Regulation, qualification, education and experience
- Governmental and professional regulation; final qualification of professional competence; professional education and practical experience; higher education
- Economic Position and Legal System as independent variables

Findings:

- Parameters depend on country background
- Common law countries have higher self-regulation than civil law countries but there is convergence as a result of international regulation
- Increasingly International Education Standards are considered to be relevant for all stakeholders in a country

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## GAEB 2005 Benchmarking – Exhibit 4

### Methodology

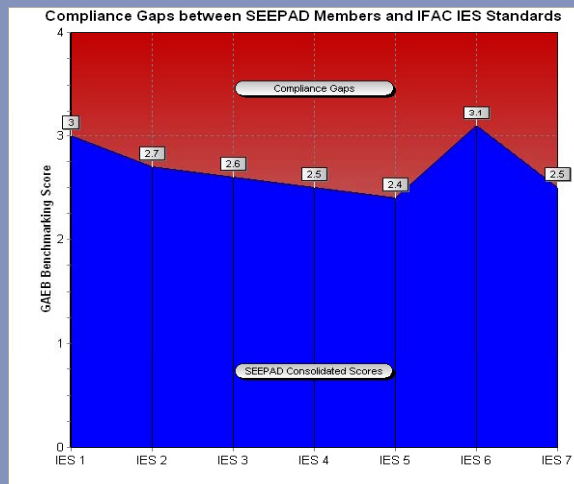
- Systemic approach to performance improvement, close compliance and implementation gaps
- IAESB IES as standard of performance on a country basis, including education providers
- Main objectives: identify areas for improvement and necessary support to achieve sustainable results
- Combination of self assessment and external validation; internal relevance, external credibility

### Some results

- Address compliance gaps to promote recognition of qualifications with further development of Accounting, Finance & Related Knowledge
- Emphasis on Professional Values & Ethics, Competences & Skills
- Increased attention for Organizational & Business Knowledge

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## GAEB Compliance Gaps



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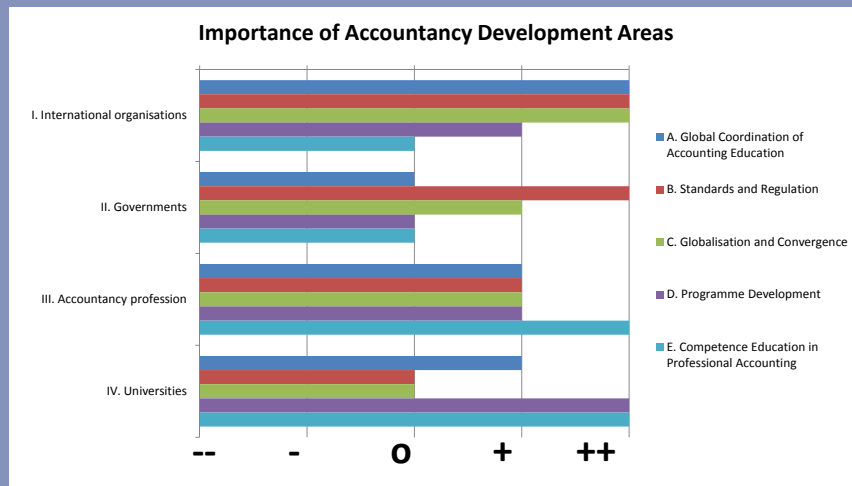
## GAE 2007 Trends in Global Accountancy Education – Exhibit 5

GAE 2007 major areas of development:

- A Global coordination of accountancy education
- B Standards and regulation
- C Globalization and convergence
- D Program development
- E Competence education in professional accounting

In general development of accountancy education is consistent with IES;  
increasingly  
graduate entrance for accountancy education with recognition of parts of  
university  
programs; competence approach with case studies and workshops; overall  
development of practical experience

## GAE 2007 Relative Priorities for Stakeholders



# ADI 2009 Accountancy Development Index – Exhibit

## 6

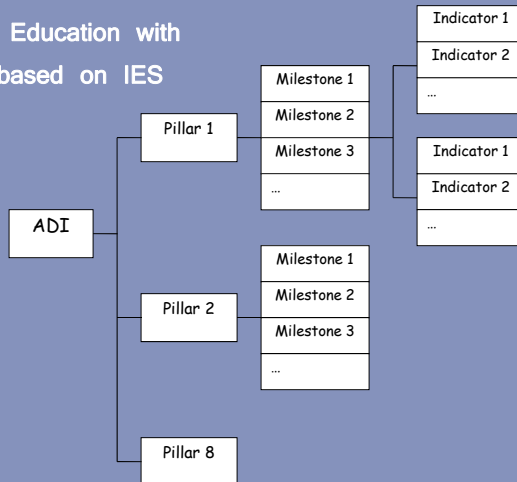
ADI pillars for performance measurement in countries:

1. Legal, Regulatory and Institutional Framework
2. Auditing, Assurance, and Quality Control
3. Professional Education
4. International Public Sector Accounting Standards
5. International Financial Accounting Standards
6. Ethics & Discipline
7. Corporate Governance, Transparency & Disclosure
8. PAO Institutional Capacity

Overall assessment with the capability to “drill down” to specific areas; based on international standards and best practices; focus on adoption, implementation and development; useful to a wide audience

## ADI Pillars, Milestones and Indicators

Pillar 3 for Education with Milestones based on IES





## ADI 2009 Quantitative Analysis

Representative selection of 32 countries around the world;  
Examples to illustrate the relevance of performance measurement for education

### Country Results

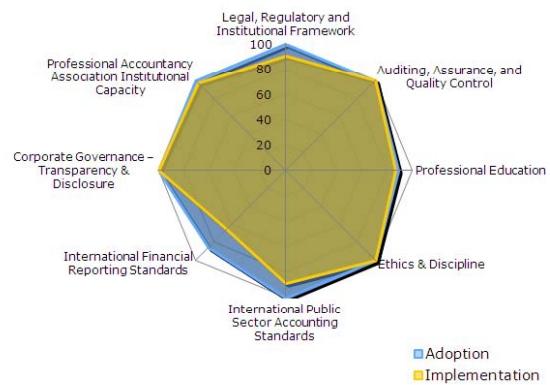
- Compare pillars within a country
- Measure level of adoption
- Measure level of implementation

### Comparison between Countries

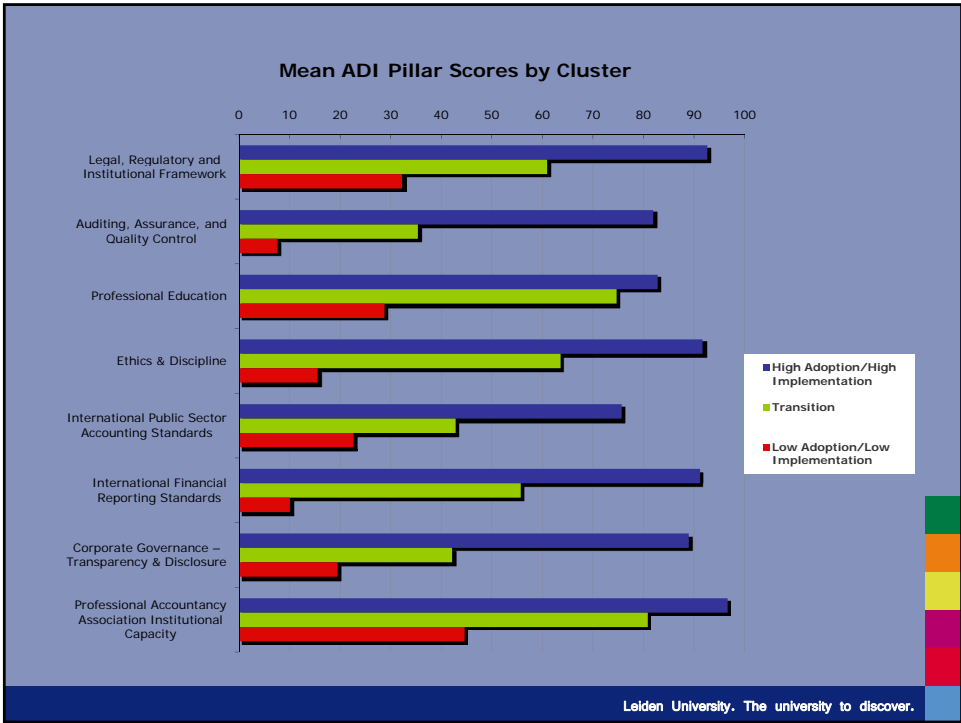
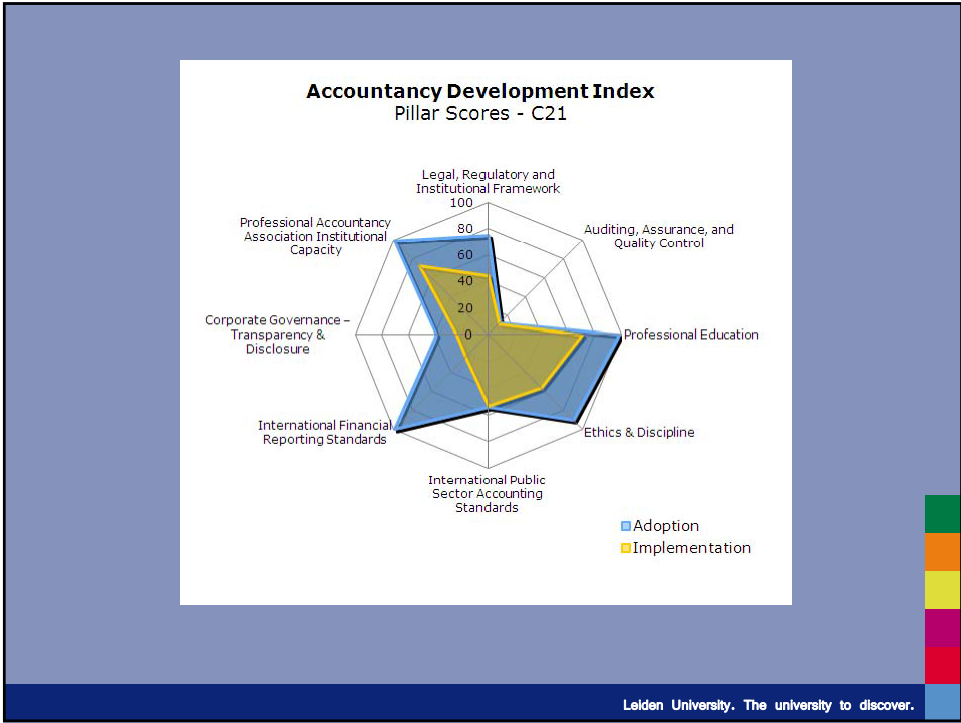
- High Adoption & High Implementation
- Transition; Medium Adoption & Medium Implementation
- Low Adoption & Low Implementation

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### Accountancy Development Index Pillar Scores - C3



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## GAE 2012 Competency Framework

General Characteristics	Considerations
Country Characteristics Professional Characteristics Qualification Characteristics	Legal system, economic position, region Professional regulation and recognition Practice rights of accountants and auditors International recognition of qualifications
Accountancy Education	Standards and Implementation Guidance
<i>Conceptual Framework</i> <i>Pre-Qualification</i> Entry Requirements Knowledge, Skills and Attitudes	IAESB Framework for IES  IES 1 – Entry Requirements Prof. Accounting Education IES 2 – Content of Professional Accounting Education IES 3 – Professional Skills and General Education IES 4 – Professional Values, Ethics and Attitudes IES 5 – Practical Experience Requirements IES 6 – Assessment of Prof. Capabilities and Competence
Practical Experience Assessment <i>Post-Qualification</i> Life-Long Learning Specialization	IES 7 – Continuing Professional Development IES 8 – Competence Requirements for Audit Professionals

## GAE 2012 Questionnaire Level of Detail

IES 2 Program Content		
2.0.1 – Entry requirements and compliance with IES 1		
2.0.2 – Program content and compliance with IES 2		
2.02.2 – The accounting, finance and related knowledge component of the education program :		
(A) includes, and (B) is in compliance with IES 2	(A)	(B)
- Financial Accounting and Reporting	Y/N	Y/N
- Management Accounting and Control	Y/N	Y/N
- Taxation	Y/N	Y/N
- Business and Commercial Law	Y/N	Y/N
- Audit and Assurance	Y/N	Y/N
- Finance and Financial Management	Y/N	Y/N
- Professional Values and Ethics	Y/N	Y/N

## GAE 2002 – 2007 and ADI 2009 Country Selection

Region	GAE 2002 – 2007	ADI 2009
Europe	9	14
Africa/Sub Saharan Africa	2	5
North & South America	3	5
Eurasia/Near East	4	4
Asia/Far East	7	4
Total	25	32

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## GAE 2012 Countries

### Country Selection:

- Based on GAE, GAEB and ADI; additional countries
- Use and update of existing material
- Core group of countries to test the methodology
- Open approach with the possibility to add countries
- Accommodate new standards & changes in existing standards
- Relational database to facilitate access to the information

Extension of the network of country respondents & reviewers

Collection of specific country data to complement publicly available information (IFAC, UNCTAD & World Bank)

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## Performance Measurement for Accountancy Education

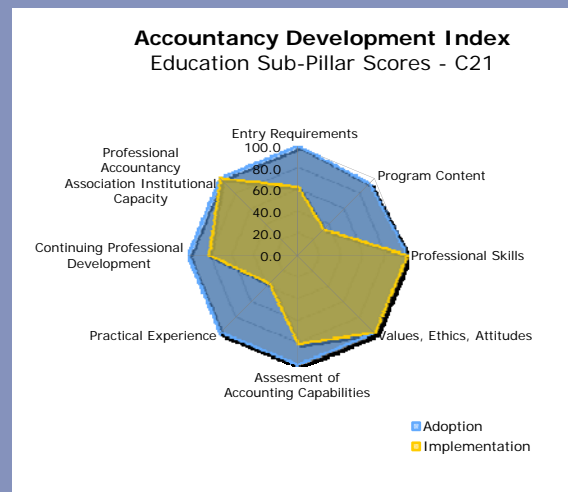
GAE 2012 methodology based on ADI results:

- Quantitative approach to performance measurement
- Distinction between adoption and implementation
- Data aggregation and statistical analysis
- Graphical representations for ease of in-country understanding and comparison between countries
- Examples from the ADI to illustrate potential use

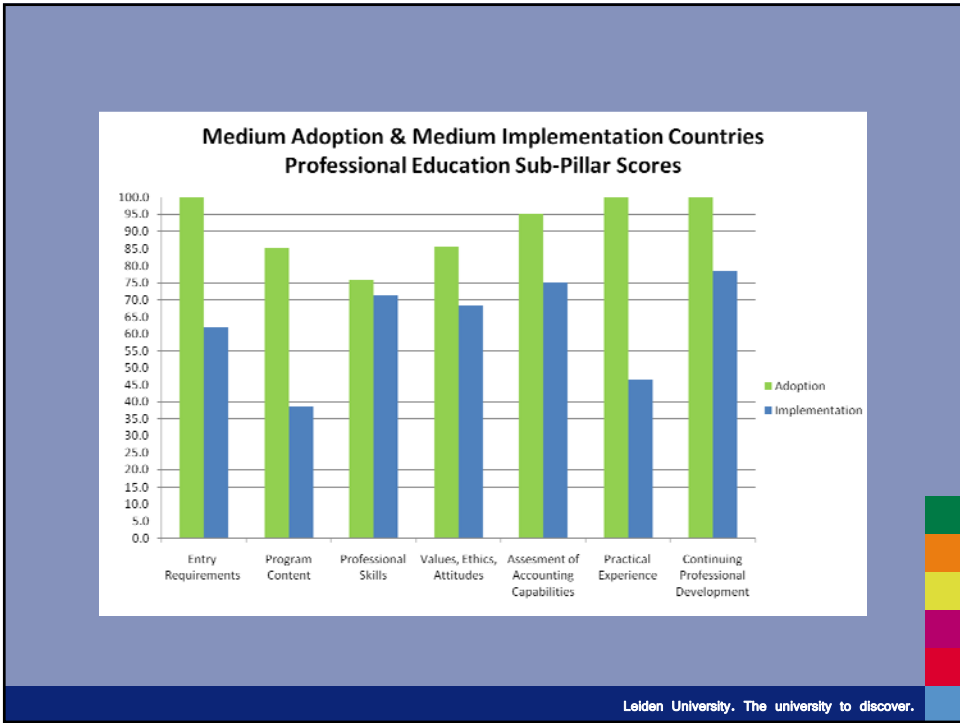
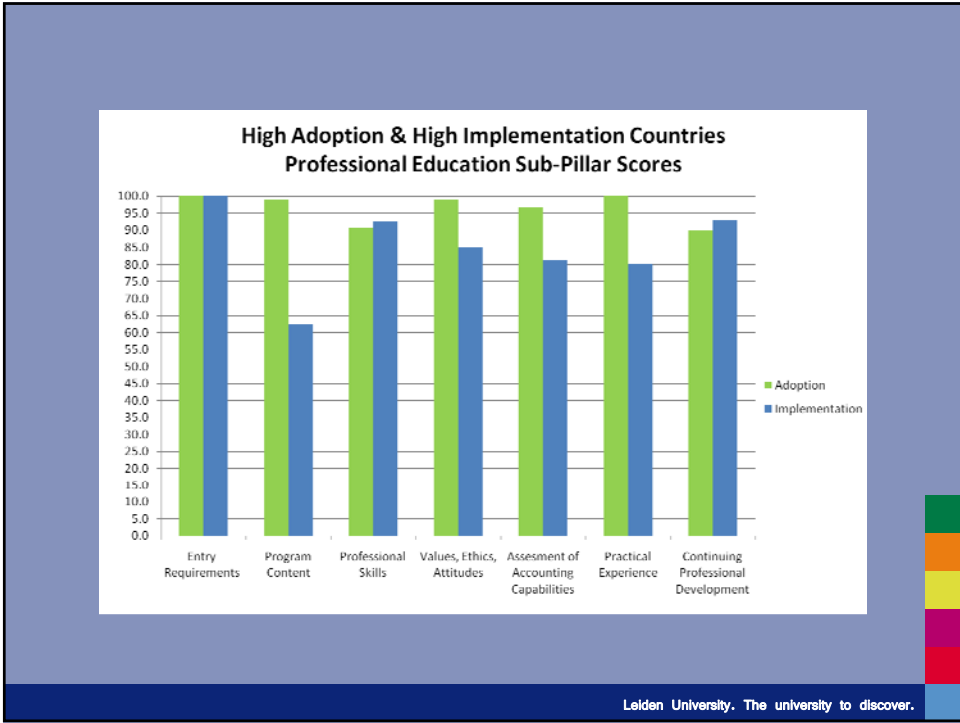
Development of a sustainable system with periodic reviews that will identify country progress over time and that can be used for regional and global comparison

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## ADI Example for Accountancy Education



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## GAE 2012 Planning

Activity	Status
Preparation – preliminary consultations with stakeholders, finalization of research and project plan, allocation of resources	Ready
Methodology – data structure, theoretical model, review of available data	Ready
Data Collection 1 – selection of pilot countries, respondents and reviewers; data collection and review for pilot countries; finalization of the conceptual model	Underway, to be ready before September 2011
Data Collection 2 – selection of additional countries, respondents and reviewers; data collection and review; design relational database	September – December 2011
Analysis – analysis of available data; preparation of country overviews; comparison of results; data mining	January – April 2012
Publication and Dissemination – preparation of the final report	April – June 2012
IAAER, Netherlands, June 2012 – presentation of the results	June 2012

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## GAE 2012 Resources and Acknowledgements

- Cooperation with leading international institutions and experts.
- Support from the accountancy profession and academe; extension of the international network of respondents and reviewers.
- Sustainable results will be achieved by building on past expertise and results.
- As standard policy over the last ten years GAE results will be available for stakeholders and for research.

Thanks are due to all who participated and will participate in GAE research; their contributions are recognized in publications.

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## Accountancy Education as part of the Global Financial Infrastructure

- Although there are important differences between countries, in general accountancy education is surprisingly well developed compared with the other sectors of the accounting infrastructure
- Specific subjects still need attention with differences between countries and regions as a result of country characteristics and development
- Cooperation between stakeholders is necessary to achieve sustainable results for legislation, academic and professional education, practical training, qualification and CPD, in particular for transition and developing countries
- For all countries there is a need for continuing change as the demands on accountancy education increase

## Qualification and Licensing of Auditors

There is a need for comparable information about auditor qualifications:

- Standard setters and regulators address regional and global strengthening of audit quality (examples EU, IFIAR and EGAOB)
- NASBA and IQAB are actively involved in promoting reciprocity agreements with partner institutes in other countries
- ISA 600 requires that group auditors verify the component auditor's professional competence

Using its competency framework and country information GAE 2012 will compare bi-lateral and multi-lateral recognition of qualifications of accountants and auditors



## NASBA International Forum

- We greatly appreciate the opportunity to present the GAE 2012 research project at the NASBA International Forum in Vancouver and look forward to any comments or questions you may have
- Increasingly the importance of accountancy education, with its pillars of education, training and qualification, goes beyond initial professional learning and is of critical importance for the financial infrastructure
- Understanding accountancy education around the world is a necessary element for the further development and recognition of qualifications and for international cooperation between experts from different countries
- We thank NASBA for putting education on the agenda of the International Forum